

Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-08 L-03 AID-05 CIAE-00 INR-07

NSAE-00 COME-00 FRB-03 OMB-01 SP-02 TRSE-00 XMB-02

USIA-06 /050 W

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 0498

LIMITED OFFICIAL USE MEXICO 2241

E.O. 11652: N/A

TAGS: EFIN, MX

SUBJ: OPIC FINANCE PROGRAMS IN MEXICO

REF: STATE 040144.

1. WE BELIEVE THE POSSIBILITY OF USING OPIC FINANCE PROGRAMS IN MEXICO WOULD BE AN APPROPRIATE SUBJECT FOR DISCUSSION IN ONE OF THE WORKING GROUPS TO BE SET UP IN THE CONTEXT OF THE PRESIDENTIAL VISIT.

2. IT IS POSSIBLE THAT OPIC LOANS TO PRIVATE INDUSTRY WOULD PROVIDE AN EARLY AND POSITIVE REACTION ON THE PART OF THE USG TO MEXICO'S FINANCIAL PROBLEMS, EVEN THOUGH THE AMOUNTS INVOLVED MIGHT BE SMALL RELATIVE TO MEXICO'S TOTAL REQUIREMENTS.

3. MEXICO'S PRIVATE SECTOR CAN BORROW IN DOLLARS WITHOUT ANY RESTRICTIONS AND HAS BEEN DOING SO FOR MANY YEARS. FROM TIME TO TIME PUBLIC SECTOR ENTITIES SUCH AS NACIONAL FINANCIERA GUARANTEE THESE LOANS IF THE LENDER SO DEMANDS.

4. THERE IS A WITHHOLDING TAX LEVIED ON INTEREST PAYMENTS TO FOREIGN FINANCIAL INSTITUTIONS. THIS IS 10 PERCENT ON INTEREST PAYMENTS TO GOVERNMENT-OWNED FINANCIAL

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INSTITUTIONS SUCH AS EXIMBANK AND 21 PERCENT TO FINANCIAL INSTITUTIONS REGISTERED WITH THE MEXICAN TREASURY. OPIC WOULD PRESUMABLY BE CONSIDERED A GOVERNMENT-OWNED FINANCIAL INSTITUTION, BUT THIS WOULD HAVE TO BE CONFIRMED.

5. WE BELIEVE GOM WOULD BE RECEPTIVE TO OPIC'S MAKING

LOANS TO MEXICAN COMPANIES THOUGH GOM IS LIKELY TO
CONTINUE TO OPPOSE OPIC GUARANTEES FOR U.S. PRIVATE
INVESTMENT IN MEXICO. BECAUSE OF THE PROSPECTIVE
ESTABLISHMENT OF JOINT WORKING GROUPS, WE BELIEVE THAT
OPIC DIRECT LENDING PROGRAMS WOULD BE MOST PROFITABLY
DISCUSSED IN THIS FRAMEWORK.

6. IN LIGHT OF MEXICO'S PRESENT FINANCIAL PROBLEMS AND
USG INTERESTS, WE ASSUME THAT ANY OPIC LENDING PROGRAM
WOULD BE COORDINATED WITH THE INTERESTED U.S. AGENCIES.
THOMPSON

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: MEXICO
Handling Restrictions: n/a
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ISecure: 1
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Line Count: 73
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Litigation Codes:
Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3242172
Secure: OPEN
Status: NATIVE
Subject: OPIC FINANCE PROGRAMS IN MEXICO
TAGS: EFIN, MX, OPIC
To: STATE
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